

Message Text

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15

ACTION PM-09

INFO OCT-01 NEA-10 ADP-00 AID-20 IGA-02 INRE-00 CIAE-00

INR-09 NSAE-00 RSC-01 TRSE-00 L-03 RSR-01 /056 W
----- 001210

O P 231110 Z MAR 73

FM AMEMBASSY KATHMANDU

TO DOD WASHDC IMMEDIATE

DA WASHDC IMMEDIATE

CDRAMC WASHDC IMMEDIATE

SECDEF WASHDC IMMEDIATE

INFO SECSTATE WASHDC PRIORITY 4761

CINCUSARPAC FT SHAFTER HI PRIORITY

C O N F I D E N T I A L SECTION 1 OF 2 KATHMANDU 1235

SECDEF FOR ISA

DA FOR DALO- ILS- B

CDRAMC FOR AMCIL- MS/2

CINCUSARPAC FOR COLONEL MELVIN HOLST (ATTENDING ARMY ATTACHE
CONFERENCE)

E. O. 11652: GDS

TAGS: NP, PFOR, MASS

SUBJECT: FMS FOR NEPAL

REF: (A) DA 152226

(B) CDRUSAMC 161435

1. REDUCTION OF TOTAL DOLLAR REQUIREMENT FOR FMS CASES BAA,
BAB AND BAC FROM \$176,000 TO \$135,000 (PARA D, REF B, AND PARA 1,
REF A) PUTS US IN BETTER POSITION TO COPE WITH SERIOUS PROBLEMS
CAUSED BY EARLIER INFO SUGGESTING COST OVER- RUN OF 120 PER CENT,
WHICH RNA FOUND OUTRAGEOUS. HOWEVER, \$135,000 FIGURE STILL
REPRESENTS INCREASE OF NEARLY 70 PERCENT OVER EARLIER IN-
COUNTRY ESTIMATE BY DA REP OF \$80,000. NEPALESE ARE STILL VERY
DISTRESSED; AND AS INDICATED BELOW, FURTHER QUICK AND
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DECISIVE ACTION IS REQUIRED IF WE ARE TO AVOID A MAJOR AND

LASTING SETBACK IN OUR RELATIONS WITH THE NEPALESE MILITARY ESTABLISHMENT.

2. IN ABSENCE MISSION DEFENSE ATTACHE, WHO IS IN HAWAII ATTENDING ATTACHE CONFERENCE, WE HAVE HAD SOME TROUBLE FIGURING OUT FROM REFERENCES EXACTLY HOW \$41,000 REDUCTION IS BEING ALLOCATED AMONGST THE VARIOUS CASES AND PRECISELY WHAT TO TELL RNA. AFTER CONSIDERABLE HEAD- SCRATCHING, WE DEVELOPED FOLLOWING POINTS REGARDING CURRENT STATUS OF THE THREE CASES:

A. CASE RAA (SIGNAL EQUIPMENT). 148 REQUISITIONS RECEIVED, LESS 3 REQUISITIONS CANCELLED; PROCESSING COMPLETED ON ALL 145 REMAINING REQUISITIONS. TOTAL COST HAS REVERTED TO INTIAL ESTIMATE OF \$16,000, PLUS \$880 HANDLING CHARGES.

B. CASE BAB. 496 REQUISITIONS RECEIVED, LESS 20 CANCELLED; 45 REQUISITONS SHIPPED; 144 REQUISITIONS PROCESSED FOR SUPPLY ACTION; AND 287 REQUISITIONS TEMPORARILY SUSPENDED. COST, WHICH INITIALLY ESTIMATED AT \$50,000 PLUS HANDLING CHARGES, SUBSEQUENTLY INCREASED TO \$130,224.08, PLUS HANDLING CHARGES, NOW REDUCED PER REF B (PARA B) TO \$102,202.16, PLUS HANDLING CHARGES. WE INFER FROM GRAND TOTAL REVISED ESTIMATE OF \$135,000 THAT HANDLING CHARGES FOR CASE BAB WILL COME TO APPROXIMATELY \$5,400.

C. CASE BAC (MEDICAL). 62 REQUISITONS RECEIVED, PROCESSING COMPLETED ON ALL. TOTAL COST HAS REVERTED TO \$10,000, PLUS \$550 HANDLING CHARGES.

3. WE HAD INTENDED TO CHECK FOREGOING WITH YOU FOR ACCURACY PRIOR TO DISCUSSING IT WITH RNA. YESTERDAY AFTERNOON, HOWEVER, WE RECEIVED LETTER FROM RNA, ADDRESSED TO EMBASSY DEFENSE ATTACHE, READING AS FOLLOWS:

" SUBJECT: SPARE PARTS
REF YOUR LETTER U-046073.

WE ARE IN RECEIPT OF YOUR ABOVE LETTER AND THANK YOU FOR THE SAME. REGARDING THE SPARE PARTS, DUE TO THE PRICE INCREASE AT THE FINAL STAGE OF SHIPPING, WE ARE VERY SORRY
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TO STATE THAT WE HAVE TO REVISE AND AMEND OUR ORIGINAL DEMAND

TO MEET OUR FINANCIAL INVOLVEMENT, AND AS SUCH YOU ARE REQUESTED TO INFORM THE CONCERNING AUTHORITIES NOT (NOT) TO PROCEED WITH THE SHIPPING OF THE SPARE PARTS, TILL WE INFORM YOU AND GIVE YOU THE REVISED DEMAND. WE ARE VERY SORRY THAT DUE TO THE INCREASE IN THE PRICES WE HAVE TO AMEND OUR ORIGINAL DEMAND, AND HOPE THAT IN THE FUTURE WE WILL HAVE THE EXACT AND CORRECT PRICE LIST. THANKING YOU,
P. S. J. B. RANA (BRIG. GEN. P. S. J. B. RANA), MASTER GENERAL OF ORDNANCE."

4. IN VIEW FOREGOING LETTER, IT APPEARED IMPORTANT TO GIVE RNA SUCH INFORMATION AS WE ALREADY HAD AT ONCE. I THEREFORE CALLED ON DEFENSE SECRETARY D. R. SHARMA THIS MORNING ACCOMPANIED BY SERGEANT SMITH OF DEFENSE ATTACHE OFFICE. AT OUTSET OF MEETING SECRETARY SHARMA EXPRESSED, IN UNPRECEDENTEDLY STRONG TERMS FOR SUCH A GENERALLY MILD-MANNERED AND COURTEOUS OFFICIAL, KEEN SENSE OF ANGUISH AT TOTALLY UNEXPECTED AND TO HIM INEXPLICABLE INCREASE OVER ESTIMATE THAT HE HAD ONLY MONTHS AGO ACCEPTED IN GOOD FAITH AS REASONABLY FIRM ONE FROM AUTHORIZED DA REPRESENTATIVE DEGROOT. IN REPLY I CONVEYED GIST OF PARAGRAPHS 1-4 OF REF (A) IN EFFORT TO PERSUADE SHARMA THAT DEGROOT' S ESTIMATE HAD NEVER BEEN PRESENTED AS " REASONABLY FIRM," BUT ONLY AS " BALL- PARK" TYPE ESTIMATE. I THEN WENT ON TO CONVEY INFORMATION IN PARAGRAPH 2 ABOVE, STRESSING THAT IT WAS BEING PRESENTED ONLY ON AD REFERENDUM BASIS, I. E., AS UNVERIFIED TRANSLATION INTO ENGLISH OF INSTRUCTIONS COUCHED IN TECHNICAL JARGON UNFAMILIAR TO TRANSLATOR, WITH CONSEQUENCE THAT MY RENDITION MIGHT QUITE POSSIBLY BE SUBJECT TO FUTURE CORRECTION. SERGEANT SMITH AND I ALSO STRESSED OTHER WAYS IN WHICH USG HAD BEEN ATTEMPTING TO BE AS FORTHCOMING AS POSSIBLE IN MEETING RNA REQUIREMENTS,

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FILE; TELEGRAM TEXT FOR THIS SEGMENT IS UNAVAILABLE

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*** Current Classification *** CONFIDENTIAL

Message Attributes

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Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
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TAGS: MASS, PFOR, NP
To: CDRAMC WASHDC
CINCUSARPAC FT SHAFTER HI
DA WASHDC
DOD WASHDC
PM
SECSTATE WASHDC
WASHDC

Type: TE

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